

Program A: Medical Vendor Administration**OBJECTIVES AND PERFORMANCE INDICATORS**

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2002-2003. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicators are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year of the budget document.

The objectives and performance indicators that appear below are associated with program funding in both the Base Executive Budget and the Governor's Supplementary Recommendations for FY 2002-2003. The Supplemental portion of the Governor's recommended Executive Budget for this agency's budget is 10.5%. However, the Objectives and Performance Indicators for this agency are based on the total amount of the Governor's Supplementary Recommendations and the Base Executive Budget. Specific information on program funding is presented in the financial section.

DEPARTMENT ID: 09 - Department of Health and Hospitals
 AGENCY ID: 09-305 - Medical Vendor Administration
 PROGRAM ID: Program A - Medical Vendor Administration

1. (KEY) Through the Medicaid Information System, to operate an efficient Medicaid claims processing system by processing at least 98% of submitted claims within 30 days of receipt and editing 100% of nonexempt claims for Third Party Liability (TPL) and Medicare coverage.

Strategic Link: This objective implements Goal 1 Objective I.2 of the revised Strategic Plan. Through the Medicaid Management Information System, to operate an efficient Medicaid Claims processing system by editing 100% of nonexempt claims for Third Party Liability (TPL) and Medicare coverage. This Objective also implements Goal 1, Objective 1.1 of the revised Strategic Plan. Through the Medicaid Management Information System, to operate an efficient Medicaid Claims Processing System by processing at least 98% of submitted claims within 30 days of receipt.

Louisiana: Vision 2020 Link: Vision 2020 is directly linked to Medical Vendor Administration as follows: Goal Three: To have a standard of living among the top ten states in America and safe, healthy communities where rich natural and cultural assets continue to make Louisiana an unique place to live, work, visit and do business. Objective 3.7: To improve the quality of life of Louisiana's children. Benchmark 3.7.1 relates to the LaCHIP program. In addition, Medical Vendor Administration is actively engaged in supporting Goal One, Objective 8 of Vision 2020. Goal One: To be a Learning Enterprise in which all Louisiana business, institutions, and citizens are actively engaged in the pursuit of knowledge, and where that knowledge is deployed to improve the competitiveness of business, the efficiency of governmental institutions, and the quality of life of citizens.

Children's Cabinet Link: Not Provided

Other Link(s): Not Provided

Explanatory Note: TPL refers to "Third Party Liability." The Bureau of Health Services Financing is required to identify all claims for which third party insurance exists and where applicable, make a reduced payment based on what the third party insurance pays. Certain Medicaid claims are exempt from the initial edit for TPL. In those instances, the agency may pay the full amount allowed under the agency's payment schedule for the claim and then seek reimbursement from the liable third party. This process is known as "pay and chase". Exempt claims include those for labor and delivery, postpartum care, prenatal care, preventive pediatric services, and pharmacy services. As Medicaid claims are processed those that are exempt from TPL are identified. The remaining claims are referred to in the General Performance Information table as the "number of claims available for TPL processing."

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
K	Percentage of total claims processed within 30 days	98%	98.92%	98%	98%	98% ¹	98%
S	Average processing time in days	9	8.3	9	9	8.6 ²	9
K	Number of TPL claims processed ³	4,550,000	4,786,065	4,550,000	4,550,000	4,914,000 ⁴	4,914,000
K	Percentage of TPL claims processed through edits ⁵	100%	100%	100%	100%	100% ⁶	100%
S	TPL Trauma Recovery Amount	5,040,000	5,588,796	5,040,000	5,040,000	5,040,000 ⁷	5,040,000

-
- ¹ Three years of prior data collection are used as a basis to justify the performance indicator. The percentage of total claims processed within 30 days was arrived at by averaging the last three years (FY 1998-1999: 98.2% + FY 1999-2000: 98% + FY 2000-2001: 98.9% divided by 3 equals [rounded] 98%).
- ² The current trend analysis supports maintaining the projected average processing time at nine days.
- ³ The "number of TPL claims processed" refers to the portion of these claims requiring processing for which third party insurance or Medicare coverage was actually available/applicable.
- ⁴ The number of TPL claims processed increased 8% since the last fiscal year. So, the performance standard of 4,550,000 is increased by 8%.
- ⁵ The "percent of TPL claims processed through edits" is the percent of TPL claims processed for which the Bureau of Health Services Financing reduced payments, or avoided full Medicaid payment.
- ⁶ Percentage of TPL claims processed through edits has consistently remained at 100%.
- ⁷ Although the TPL trauma recovery amount has exceeded the performance standard amount of \$5,040,000 in FY 2001-2002, the TPL Unit has lost experienced Specialist staff and will be involved in "starting-up" and learning how to operate the new Pelican TPL Tracking System developed by Brandt Information Systems in the next few months. It is expected that these factors will negatively impact on the amount of collections until the system is perfected and Specialists' training is completed and they have all acquired operational expertise.

DEPARTMENT ID: 09 - Department of Health and Hospitals

AGENCY ID: 09-305 - Medical Vendor Administration

PROGRAM ID: Program A - Medical Vendor Administration

GENERAL PERFORMANCE INFORMATION:					
PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01
Total number of claims processed	38,111,094	37,702,094	38,659,305	39,914,974	49,102,841 ¹
Percentage of claims processed within 30 days	98.3%	99%	98.2%	98%	98.9% ²
Number of claims available for TPL processing	25,211	23,459,482	23,699,339	24,323,895	22,634,047
Number of TPL claims processed	4,810,782	4,307,087	4,507,518	4,435,934	4,786,065
Percentage of TPL claims processed and cost avoided	12.3%	11.4%	11.7%	11.12%	9.7% ³

¹ The total number of claims processed represents all claims that are submitted by billing entities.² The standard percentage has been the same for the last three years. Any variation falls within the variance percentile.³ The "percent of TPL claims processed and cost avoided" is the number of TPL claims processed divided by the total number of claims.

DEPARTMENT ID: 09 - Department of Health and Hospitals
 AGENCY ID: 09-305 - Medical Vendor Administration
 PROGRAM ID: Program A - Medical Vendor Administration

2. (KEY) Through the Medicaid Eligibility Determination activity, to provide Medicaid eligibility determinations and administer the program within federal regulations by processing 75% of applications timely.

Strategic Link: The Objective implements Goal II, Objective 11.1 of the revised Strategic Plan: Through the Medicaid Eligibility Determination, activity, to provide Medicaid eligibility determination and administer the program within federal regulations by processing 99% of applications timely.

Louisiana: Vision 2020 Link: Vision 2020 is directly linked to Medical Vendor Administration as follows: Goal Three: To have a standard of living among the top ten states in America and safe, healthy communities where rich natural and cultural assets continue to make Louisiana an unique place to live, work, visit and do business. Objective 3.7: To improve the quality of life of Louisiana's children. Benchmark 3.7.1 relates to the LaCHIP program. In addition, Medical Vendor Administration is actively engaged in supporting Goal One, Objective 8 of Vision 2020. Goal One: To be a Learning Enterprise in which all Louisiana businesses, institutions, and citizens are actively engaged in the pursuit of knowledge, and where that knowledge is deployed to improve the competitiveness of business, the efficiency of government institutions, and the quality of life citizens. Objective 8: To improve the efficiency and accountability of governmental agencies.

Children's Cabinet Link: Not Provided

Other Link(s): Blueprint for Health: The DHH plan for improving health care in Louisiana, now known as the Blueprint for Health is linked to Medical Vendor Administration as follows: Goal III: Expand Community CARE statewide and Goal V: Expand Medicaid and LaCHIP eligibility for families.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
K	Percentage of applications processed timely	95%	99.8%	96%	96%	98% ¹	75%
S	Number of applications processed timely	295,189	307,013	282,714	282,714	313,153 ²	221,712

¹ Since Field Operations did not experience the reduction in T.O. as anticipated, projection for percentage of applications processed timely in FY 2002-2003 is increased. Although additional applications are anticipated, with no increase in T.O., we are projecting that application simplification efforts will allow existing staff to process 98% of the applications timely. Calculation based upon history of applications processed and MEMO814 Reports.

² With increased outreach to eligibles, ongoing LaCHIP outreach, and increased income limits, enrollment in all programs of Medicaid will continue to increase. The renewal efforts to retain existing eligibles will decrease the number of these eligibles to enroll and disenroll then re-enroll again. Calculation is based upon a projected two percent overall increase in the number of applications processed timely due to downturn in economy. As unemployment increases and the economy goes into a recession, more families will need assistance in meeting their health care needs and will apply for Medicaid.

DEPARTMENT ID: 09 - Department of Health and Hospitals

AGENCY ID: 09-305 - Medical Vendor Administration

PROGRAM ID: Program A - Medical Vendor Administration

GENERAL PERFORMANCE INFORMATION:					
PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01
Percentage of applications processed timely	99%	99.1%	99.6%	99.73%	99.8% ¹
Number of recipients eligible for program	779,142	757,040	775,787	771,380	819,440 ²
Average number of recipients per month	599,724	574,793	578,871	620,999	651,126 ³
Number of applications taken per year	Not Available ⁴	215,292	239,037	287,594	302,814 ⁵
Number of applications centers	Not Available ⁴	534	534	675	667 ⁶

¹ The total number of applications processed, 307,599, obtained from the MEM0814 Reports in Infopac minus the number of applications processed out of conformity, 586, from the monthly statistical reports provided to Field Operation from Regional Offices equals 307,013 applications processed timely. Divide the result, 307,013, by total processed, 307,599, equals 99.81% processed timely.

² Data from June 2001 MR-0-02.

³ Computed from July 2000 through June 2001 MR-0-02.

⁴ Complete data were not maintained during these time periods.

⁵ The total number of applications taken annually is the sum of all Medicaid applications received and input into Medicaid Eligibility Determination Systems annually between July 1, 2000 through June 30, 2001. Report provided on Infopac number MEM0814.

⁶ The total number of contracted application centers from the master application centers listing provided by University of New Orleans. An anticipated reduction in the number of application centers in FY 2001-2002 due to the disenrollment of long term care facilities and the implementation of contracted services due to the Olmstead Supreme Court ruling on choice of service.

DEPARTMENT ID: 09 - Department of Health and Hospitals

AGENCY ID: 09-305 - Medical Vendor Administration

PROGRAM ID: Program A - Medical Vendor Administration

3. (KEY) Through the Health Standard activity, to perform 100% of required state licensing and complaint surveys of healthcare facilities and federally mandated certification of healthcare providers participating in Medicare and/or Medicaid.

Strategic Link: This Objective implements Goal III, Objective III.1 of the revised Strategic Plan: Through the Health Standard activity to perform 100% of required state licensing and complaint surveys of healthcare providers participating in Medicare and/or Medicaid.

Louisiana: Vision 2020 Link: Vision 2020 is directly linked to Medical Vendor Administration as follows: Goal Three: To have a standard of living among the top ten states in America and safe, healthy communities where rich natural and cultural assets continue to make Louisiana an unique place to live, work, visit and do business. Objective 3.7: To improve the quality of life of Louisiana's children. Benchmark 3.7.1 relates to the LaCHIP program. In addition, Medical Vendor Administration is actively engaged in supporting Goal One, Objective 8 of Vision 2020. Goal One: To be a Learning Enterprise in which all Louisiana businesses, institutions, and citizens are actively engaged in the pursuit of knowledge, and where that knowledge is deployed to improve the competitiveness of business, the efficiency of governmental institutions, and the quality of life of citizens. Objective 8: To improve the efficiency and accountability of governmental agencies.

Children's Cabinet Link: Not Applicable

Other Link(s): Blueprint for Health - The DHH plan for improving health care in Louisiana, now known as the BluePrint for Health, is linked to Medical Vendor Administration as follows: Goal VIII: Strengthen Accountability for Reimbursement

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
S	Number of facilities out of compliance	525	511	525	525	521 ¹	521
S	Number of facilities sanctioned ²	135	237	135	135	237 ³	237
K	Percentage of facilities out of compliance	13%	13%	13%	13%	14.5% ⁴	14.5%
S	Number of facilities targeted for survey	Not Available ⁵	Not Available ⁵	Not Available ⁵	Not Available ⁵	2,207 ⁶	2,207
K	Percent targeted facilities surveyed	Not Available ⁵	Not Available ⁵	Not Available ⁵	Not Available ⁵	100% ⁷	100.0%
K	Percent complaints responded to within state established timelines	Not Available ⁵	Not Available ⁵	Not Available ⁵	Not Available ⁵	95% ⁸	95.0%

¹ This number is based on a 3.5% increase over the actual for FY 2000-2001.

² Sanctions are remedies or penalties applied to facilities found out of compliance with state standards or federal regulations. Available sanctions include: termination of the provider agreement, denial of payment (Medicaid and/or Medicare) for new admissions, civil money penalties, state on-site monitoring (random or 24 hours), temporary management, transfer of residents/patients/clients, directed plan of correction, or directed in-service training.

³ This is the actual historical data from last FY. This is used in lieu of an average of the last three fiscal years because: a) current FY first quarter is comparable to last FY year's first quarter; b) the system in place of applying sanctions was revised in FY 2000-2001; and c) sanctions are now being applied to most all provider types.

⁴ This is based upon the number of facilities projected out of compliance divided by the number of unduplicated facilities. The percentage is increased over last year because there was a reduction in the number of facilities. However, it is averaged to take into account the addition of licensed facilities anticipated during FY 2001-2002.

⁵ The performance indicators did not appear in Act 12 of 2001. Therefore, there are no performance standards for FY 2001-2002.

⁶ Calculation based upon counting the number of licensed facilities in the state and added federally certified facilities which are not licensed but are targeted in the survey and certification workload. There are 2,402 licensed facilities minus 118 accredited hospitals not targeted, minus 80 of 130 Non-emergency Medical Transportation not targeted, minus 61 Nurse Aide Schools out of 122 surveyed every two years, and plus 64 certified facilities targeted but not licensed (40 ESRDs, 6 X-Ray facilities, 5PPS units and 13 Rehabilitation facilities) equals 2,207.

⁷ Workload is planned for 100% completion.

⁸ It is estimated, based upon historical data, that complaints will be completed at 95% rate. Complaints have assigned deadlines of 2 days (immediate jeopardy), 10 days (actual harm), and 30 days (minimal harm).

DEPARTMENT ID: 09 - Department of Health and Hospitals

AGENCY ID: 09-305 - Medical Vendor Administration

PROGRAM ID: Program A - Medical Vendor Administration

GENERAL PERFORMANCE INFORMATION:					
	PERFORMANCE INDICATOR VALUES				
PERFORMANCE INDICATOR NAME	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01
Total number of facilities (unduplicated)	3,973	4,022	3,772	3,659	3,488 ¹
Number of certified facilities	2,578	2,536	2,333	2,240	2,243 ²
Number of licensed facilities	2,732	2,826	2,628	2,575	2,402
Number of facilities out of compliance	258	318	516	482	511
Number of facilities terminated	18	35	20	14	9
Percentage of facilities out of compliance ³	7.8%	7.4%	13.7%	13.0%	13.0%

¹ The reduction in the number of licensed facilities has resulted from the transfer of 164 Utilization Review Agencies from DHH to the Department of Insurance. However, this number is expected to increase during FY 2001-2002 due to the initial licensing of 130 End Stage Renal Disease (ESRD) facilities.

² The number of terminated facilities, due to adverse action being taken against a facility found out of compliance, is difficult to predict. Sanctions encourage facilities to come back into compliance as this would be best for Medicaid clients/patients under their care. Termination is invoked for continued failure to correct deficient practices.

³ The percentage of facilities out of compliance for FY 1996-1997 and FY 1997-1998 was based on a count of completed surveys both licensing and certification. Beginning in FY 1998-1999, the percentage was based on an unduplicated count of facilities.

DEPARTMENT ID: 09 - Department of Health and Hospitals
 AGENCY ID: 09-305 - Medical Vendor Administration
 PROGRAM ID: Program A - Medical Vendor Administration

4. (KEY) Through the LaCHIP Program, to achieve 80% or greater enrollment of children (birth through 18 years of age) living below 200% of the Federal Poverty Level (FPL) who are potentially eligible for services under Title XIX and Medicaid expansion under Title XXI of the Social Security Act.

Strategic Link: This Objective implements Goal IV, Objective IV.1 of the revised Strategic Plan: To achieve 80% or greater enrollment of children (birth through 18 years of age) living below 200% of the Federal Poverty Level (FPL) who are potentially eligible for services under Title XIX and Medicaid expansion under Title XXI of the Social Security Act.

Louisiana: Vision 2020 Link: Vision 2020 is directly linked to Medical Vendor Administration as follows: Goal Three: To have a standard of living among the top ten states in America and safe, healthy communities where rich natural and cultural assets continue to make Louisiana an unique place to live, work, visit and do business. Objective 3.7: To improve the quality of life of Louisiana's children. Benchmark 3.7.1 relates to the LaCHIP program. In addition, Medical Vendor Administration is actively engaged in supporting Goal One, Objective 8 of Vision 2020. Goal One: To be a Learning Enterprise in which all Louisiana businesses, institutions, and citizens are actively engaged in the pursuit of knowledge and where that knowledge is deployed to improve the competitiveness of business, the efficiency of governmental institutions, and the quality of life of citizens. Objective 8: To improve the efficiency and accountability of governmental agencies.

Children's Cabinet Link: In general child/adolescent services identified in this budget unit are indirectly linked to the Children's Cabinet via the Children's Budget. The Children's Budget reflects funding and expenditures for a broad range of Medicaid services for children under 21 years of age. The specific links to the recommended funding priorities for the Children's Cabinet for FY 2001-2002 are as follows: Priority 1. LaCHIP Phase IV and Priority 2. Increase of SOBRA Pregnant Women to 200% FPL.

Other Link(s): Blueprint for Health: The DHH plan for improving health care in Louisiana, now known as the BluePrint for Health, is linked to Medical Vendor Administration as follows: Goal V: Expand Medicaid and LaCHIP eligibility for families. This objective is associated with Tobacco Settlement Funds through the Louisiana Fund.

Explanatory Note: Title XIX of the Social Security Act is a program of national health assistance funded by the federal government and the states. The program covers low-income individuals and their families who are aged, blind or disabled, and members of families with dependent children. Title XXI allow states to expand coverage of Medicaid health assistance to children who live in families with incomes up to 200% of the federal poverty level (FPL).

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
S	Potential eligibles below 200% FPL	474,875	474,875	474,875	617,525 ¹	617,525	617,525
S	Number of children enrolled as Title XXI	50,362	54,343	61,650	69,115	85,498	85,498
S	Number of children enrolled as Title XIX	359,427	395,387	363,021	449,655	502,985	502,985
K	Total number of children enrolled	409,789	449,730	455,348	518,770	588,483	588,483
K	Percentage of children enrolled	86.3%	94.7%	96.0%	84.0%	95.0%	95.0%
S	Number of children remaining uninsured	65,086	25,145	50,204	98,755	114,540	114,540
K	Average cost per Title XXI enrolled per year	\$1,272	\$1,053	\$1,238	\$1,241	\$1,222	1,222
K	Average cost per Title XIX enrolled per year	\$950	\$1,657	\$1,394	\$1,398	\$1,810	1,810

¹ The baseline indicator of potential eligibles was re-calculated to reflect the most current census estimate in consultation with Dr. Kenneth Thorpe, Emory University. Dr. Thorpe calculated the original baseline. The remaining indicators were re-calculated using the forecasting assumptions that generated the number of potential eligibles.

DEPARTMENT ID: 09 - Department of Health and Hospitals

AGENCY ID: 09-305 - Medical Vendor Administration

PROGRAM ID: Program A - Medical Vendor Administration

GENERAL PERFORMANCE INFORMATION:					
	PERFORMANCE INDICATOR VALUES				
PERFORMANCE INDICATOR NAME	PRIOR YEAR ACTUAL FY 1996-97	PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01
Number of children enrolled as Title XXI	0 ¹	0 ¹	18,349	33,497	54,343
Number of children enrolled as Title XIX	Not Available ²	313,764	337,459	344,127	395,387
Total number of children enrolled	Not Available ²	313,764	355,808	377,624	449,730

¹ Title XXI was not implemented until FY 1998-99.² Reports for the 19 year olds and younger population are unavailable.

DEPARTMENT ID: 09 - Department of Health and Hospitals
 AGENCY ID: 09-305 - Medical Vendor Administration
 PROGRAM ID: Program A - Medical Vendor Administration

5. (SUPPORTING) Through the Pharmacy Benefits Management Activity, to continue creation of the pharmacopoeia (a listing of drugs) and the prior authorization process for 8 therapeutic classes each year.

Strategic Link: This Objective implements Goal 5, Objective 1.1. of the revised Strategic Plan: through the Pharmacy Benefits Management to continue creation of a pharmacopoeia (a listing of drugs) and to establish a prior authorization system for 8 classes of therapeutic drugs each year through 2006.

Louisiana: Vision 2020 Link: Vision 2020 is directly linked to Medical Vendor Administration as follows: Goal Three: To have a standard of living among the top ten states in America and safe, healthy communities where rich natural and cultural assets continue to make Louisiana an unique place to live, work, visit and do business. Objective 3-7: To improve the quality of life of Louisiana's children. Benchmark 3.7.1 relates to the LaCHIP program. In addition, Medical Vendor Administration is actively engaged in supporting Goal One, Objective 8 of Vision 2020. Goal One: To be a Learning Enterprise in which all Louisiana businesses, institutions, and citizens are actively engaged in the pursuit of knowledge, and where that knowledge is deployed to improve the competitiveness of business, the efficiency of governmental institutions, and the quality of life of citizens. Objective 8: To improve the efficiency and accountability of governmental agencies .

Children's Cabinet Link: Not Provided

Other Link(s): Blueprint for Health: The DHH plan for improving health care in Louisiana, now known as the BluePrint for Health, is linked to Medical Vendor Administration as follows: Goal VII: Strengthen Accountability for Reimbursement.

Explanatory Note: Act 395 of the 2001 Regular Legislative Session allows the Department of Health and Hospitals to establish a pharmacopoeia (drug formulary) which utilizes a prior authorization process. It establishes a Pharmaceutical and Therapeutics Committee composed of physicians and pharmacists. The Committee is responsible for developing and maintaining the pharmacopoeia. Prescribers can prescribe drugs on the pharmacopoeia for their Medicaid patients without prior authorization. Prior authorization will be needed for drugs not listed on the pharmacopoeia. The prior authorization requirement will contain costs and reduce over utilization of certain drugs by establishing rules or criteria which a patient must meet to receive a particular medication. Savings obtained from prior authorization program are related to a number of factors including reducing utilization of expensive drug products, which may be prescribed unnecessary, and allows interchange of an expensive drug with a less expensive alternative. Prior authorization is a pharmacy management option for the Louisiana Medicaid program which can effectively reduce the rate of growth in the pharmacy program while assuring that patients receive appropriate and clinically effective drugs. Because this is a new program, the performance indicator reflects a limited measurement of performance. Additional indicators will be developed as the program evolves.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
S	Number of classes of therapeutic drugs established. ¹	Not Available ¹	Not Available ¹	Not Available ¹	4	8 ²	8

¹ The performance indicator did not appear under Act 11 of 2000 or Act 12 of 2001. Therefore has no performance standard for FY 2000-2001 or FY 2001-2002. This performance indicator was added as an August 15, 2001 adjustment.

² Based on historical experience and the time needed to clinically and economically review each therapeutic class of drugs, it has been determined that 8 therapeutic classes would be reasonable to review in a year.

DEPARTMENT ID: 09 - Department of Health and Hospitals
 AGENCY ID: 09-305 - Medical Vendor Administration
 PROGRAM ID: Program A - Medical Vendor Administration

6. (SUPPORTING) Through the Medicaid Management Information System activity to achieve 90% of the transitional goals identified for implementing the requirements of the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).

Strategic Link: Program A: This Objective implements Goal 1, Objective 1.1 of the revised strategic plan: Through the Medicaid Management Information System, to operate an efficient Medicaid Claims processing system by processing at least 98% of submitted claims within 30 days of receipt.

Louisiana: Vision 2020 Link: Vision 2020 is directly linked to Medical Vendor Administration as follows: Goal Three: To have a standard of living among the top ten states in America and safe, healthy communities where rich natural and cultural assets continue to make Louisiana a unique place to live, work, visit and do business. Objective 3-7: To improve the quality of life of Louisiana's children. Benchmark 3.7.1 relates to the LaCHIP program. In addition, Medical Vendor Administration is actively engaged in supporting Goal One, Objective 8 of Vision 2020. Goal One: To be a Learning Enterprise in which all Louisiana businesses, institutions, and citizens are actively engaged in the pursuit of knowledge, and where that knowledge is deployed to improve the competitiveness of business, the efficiency of governmental institutions, and the quality of life of citizens. Objective 8: To improve the efficiency and accountability of governmental agencies

Children's Cabinet Link: Not Provided

Other Link(s): Not Provided

Explanatory Note: The Health Insurance Portability and Accountability Act (HIPAA)/Electronic Data Interchange (EDI) Act was passed by the U.S. Congress in 1996. The act requires the development of standard transactions and code sets for the electronic exchange of administrative and financial health care transactions. The goal is to improve the effectiveness and the efficiency of the health care industry in general by simplifying the administration of the system. HIPAA requires standardization of all transaction codes, diagnostic codes and procedure codes. It will include standards regarding privacy and security of medical information and national identification numbers for providers, insurance plans and users. This is a nationwide, short term project and full implementation is scheduled for October 2002. The federal government is funding 90% of the cost.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
S	Number of goals	Not Available ¹	Not Available ¹	Not Available ¹	10	10 ²	10
S	Percentage of goals achieved	Not Available ¹	Not Available ¹	Not Available ¹	90%	90% ²	90%

¹ The performance indicator did not appear under Act 11 of 2000 or Act 12 of 2001. Therefore has no performance standard for FY 2000-2001 or FY 2001-2002. This performance indicator was added as an August 15, 2001 adjustment.

² The Health Insurance Portability and Accountability Act (HIPAA)/Electronic Data Interchange (EDI) project will maintain an overlapping of Phase 2 and Phase 3 during the FY 2001-2002 to enable the department to meet the scheduled October 2002 deadline. Goals will be deleted and added while maintaining ten (10) goals during the targeted fiscal year. While it is expected that the project will be completed in 2002, this is a very dynamic process that is guided by the federal government and will be influenced by activities and progress of all 50 states. For this reason, we are maintaining the percentage at 90%.

DEPARTMENT ID: 09 - Department of Health and Hospitals
 AGENCY ID: 09-305 - Medical Vendor Administration
 PROGRAM ID: Program A - Medical Vendor Administration

7. (SUPPORTING) Through the Program Operations activity, to annually perform a minimum of 85% of the planned monitoring visits to school systems/boards participating in the Medicaid School-Based Administrative Claiming Program.

Strategic Link: This Objective implements Goal 1, Objective 1.1 of the revised strategic plan: Through the Program Operations activity to annually perform a minimum of 85% of the planned monitoring visits to school systems/boards participating in the Medicaid School-Based Administrative Claiming Program each year through 2006.

Louisiana: Vision 2020 Link: Vision 2020 is directly linked to Medical Vendor Administration as follows: Goal Three: To have a standard of living among the top ten states in America and safe, healthy communities where rich natural and cultural assets continue to make Louisiana an unique place to live, work, visit and do business. Objective 3-7: To improve the quality of life of Louisiana's children. Benchmark 3.7.1 relates to the LaCHIP program. In addition, Medical Vendor Administration is actively engaged in supporting Goal One, Objective 8 of Vision 2020: Goal One: To be a Learning Enterprise in which all Louisiana businesses, institutions, and citizens are actively engaged in the pursuit of knowledge, and where that knowledge is deployed to improve in the competitiveness of businesses, the efficiency of governmental institutions, and the quality of life of citizens. Objective 8: To improve the efficiency and accountability of governmental agencies.

Children's Cabinet Link: Not Provided

Other Link(s): Not Provided

Explanatory Note: The performance indicators relate to the monitoring and evaluation of the participating School Boards. Information on services provided are included in the Operational Plan of the Department of Education.

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 2000-2001	ACTUAL YEAREND PERFORMANCE FY 2000-2001	ACT 12 PERFORMANCE STANDARD FY 2001-2002	EXISTING PERFORMANCE STANDARD FY 2001-2002	AT CONTINUATION BUDGET LEVEL FY 2002-2003	AT RECOMMENDED BUDGET LEVEL FY 2002-2003
S	Number of School Boards targeted for monitoring ¹	Not Available ¹	Not Available ¹	Not Available ¹	9	48 ²	48
S	Percent of targeted School Boards monitored ¹	Not Available ¹	Not Available ¹	Not Available ¹	85%	85% ³	85%

¹ The performance indicators did not appear in Act 11 of 2000 or Act 12 of 2001. Therefore, no performance standards exist for FY 2000-2001 and FY 2001-2002. This performance indicator was added as an August 15, 2001 adjustment.

² Four school boards are expected to be monitored monthly.

³ This 85% standard was the consensus of the implementation workgroup for FY 2002-2003. The percentage may increase as staff experience increases.